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COMMUNICATIONS

. "MANDEVILLE IN THE TWENTIETH CENTURY": A CORRECTION

Professor Patten's entry into an economic controversy may always be counted upon to contribute to the gaiety of nations. In the diverting essay on "Mandeville in the Twentieth Century" in the March issue of this REVIEW,¹ he has side-swiped—and in a footnote!—a recent performance of mine as "an example of unsound reasoning." Intent upon larger game, he has not stopped to set forth the particulars of my unsoundness in a manner that might permit rejoinder, and I can only take refuge in the saucy retort of the same eighteenth century physician-economist whose influence he so generously estimates: "Where any disputes are on foot the most doubtful cause gets champions and abettors among those who are not concerned in nor well acquainted with the quarrel."

That which Professor Patten, however, does—and with unmistakable definiteness—is to charge me with a particularly offensive form of intellectual dishonesty:

One of the ways of discrediting an opponent is to assert the newness of his doctrine and thus to put on him the burden of seeming to overthrow established positions. Dr. Hollander, for example, finds that "the resistance to funding in war finance" was first explicitly stated by Mr. Pigou in 1916 and regards it "both as a melancholy example of scientific lapse and as a mischief-making error."

As a matter of fact, my actual statement in the paper to which Professor Patten refers is as follows:

A glaring instance of this misuse is the outright resistance to funding in war finance on the score that it makes inevitably for inflation and thus for high prices—or more briefly the inflation argument against war loans. Both as a melancholy example of scientific lapse, and as a mischief-making error in the actual conduct of war finance, it has seemed worth while to examine this claim.

It is possible to trace with some exactness the growth of the doctrine. Without returning to shadowy beginnings, the first explicit phrasing of the argument appears to have been made in 1915-1916 by an English economist of note, Mr. A. C. Pigou. . . .

It thus appears that Professor Patten has attempted to make his point by calmly cutting my statement in half and quoting only the first

¹ AMERICAN ECONOMIC REVIEW, vol. VIII (March, 1918), p. 88.

half. The consequence is that I am made to impute to Pigou the authorship of resistance to funding in war finance, whereas what I really do so impute is the authorship of the inflation argument in connection with such opposition. There were prophets, of course, before Saul. But it is not of prophets that I am speaking.

Professor Patten is perhaps aware of some earlier statement of the inflation argument than that contained in Pigou's writings, in which event it is desirable in the interest of doctrinal history that he set the facts forth, and none will rejoice more than I. But interesting as this might be, it is not the matter in issue between Professor Patten and myself, and should not be permitted to become so. Professor Patten charges me with attempting to discredit an opponent by asserting incorrectly that resistance to funding in war finance is a new contention. I have made no such assertion, and with this fact brought to his notice, Professor Patten will doubtless wish to make an explicit correction of his statement.

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WHO IS THE TWENTIETH CENTURY MANDEVILLE?

In the last number of the REVIEW my old friend, Professor Patten, does me the honor of letting loose his barbed arrows of sarcasm against a position which, however vulnerable, has hitherto been stoutly defended by me. Two things go without saying in this controversy: first, that nothing which Professor Patten may allege can lessen the admiration that I entertain for his achievements in economic science; second, that his criticism has caused me a searching of heart and has led me to review carefully not only my conclusions but also the various steps in the argument. The issue that has been joined is therefore entirely one of scientific truth. And while Professor Patten will doubtless give me the credit of being as open minded in the matter as he is, I trust that he will not consider me pigheaded if I cannot yet lower the flag.

The interval, however, between the appearance of his criticism and the writing of this rejoinder has been so short that I must content myself here with a brief reply, leaving to what I hope will be the not distant future the more thorough analysis of the problem which the subject deserves.

Let me state, then, at the outset, that in the fundamental point of issue there is really far less difference between us than Professor